



## FEDERAL COMMUNICATIONS COMMISSION

[DA 16-1321]

### **Order Declares Redes Modernas de la Frontera SA de CV Section 214 Authorization Terminated**

**AGENCY:** Federal Communications Commission

**ACTION:** Notice.

**SUMMARY:** In this document, the International Bureau of the Federal Communications Commission (Commission) declares the international section 214 authorization granted to Redes Modernas de la Frontera SA de CV (Redes) terminated given Redes' inability to comply with an express condition for holding the authorization. It also concludes that Redes failed to comply with those requirements of the Communications Act of 1934, as amended (the Act) and the Commission's rules that ensure that the Commission can contact and communicate with the authorization holder and verify Redes is still providing service, which failures have prevented any way of addressing Redes' inability to comply with the condition of its authorization.

**FOR FURTHER INFORMATION CONTACT:** Veronica Garcia-Ulloa, Telecommunications and Analysis Division, International Bureau at (202) 418-0481 or [Veronica.Garcia-Ulloa@fcc.gov](mailto:Veronica.Garcia-Ulloa@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Order, DA 16-1321, adopted and released November 30, 2016.

### **Background**

Section 214(a) of the Act prohibits any carrier from constructing, extending, acquiring, or operating any line, and from engaging in transmission through any such line, without first obtaining a certificate of authorization from the Commission. Under section 214(c) of the Act, the Commission "may attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require." On July 27, 2007, the

International Bureau granted Redes an international section 214 authorization to provide international global or limited global facilities-based authority, and global or limited global resale authority, in accordance with section 63.18(e)(1) and 63.18(e)(2) of the Commission's rules. The International Bureau granted the application on the express condition that Redes abide by the commitments and undertakings contained in its July 10, 2007 letter of assurance (LOA) to the U.S. Department of Justice (DOJ), U.S. Department of Homeland Security (DHS), and Federal Bureau of Investigation (FBI). The LOA outlines a number of commitments made by Redes to address national security, law enforcement, and public safety concerns.

On April 13, 2016, DOJ with the concurrence of DHS (collectively, the "Executive Branch Agencies") notified the Commission of Redes' non-compliance with the conditions of its authorization and requested that the Commission terminate, declare null and void and no longer in effect, the international section 214 authorization issued to Redes. The Executive Branch Agencies stated that on July 31, 2012, the designated point of contact informed DHS that Redes is no longer in business and open source research conducted by DHS confirms this fact. In addition, the Executive Branch Agencies stated that Redes has not filed any of its international traffic and revenue reports with the Commission since 2007. Based on this, the Executive Branch Agencies conclude that Redes is no longer providing services pursuant to its authorization.

The Commission has made significant efforts to communicate with Redes, but has also been unable to do so. On July 5, 2016, the International Bureau sent Redes a letter to the last addresses of record requesting that Redes respond to the April 13, 2016 Executive Branch Letter by August 3, 2016. Redes did not respond. Since that time, the International Bureau has provided Redes with additional opportunities to respond to these allegations. The International Bureau stated that failure to respond would result in termination of Redes' international section 214 authorization for failure to comply with the condition of its authorization. To date, Redes has not

responded to any of the International Bureau or the Executive Branch Agencies' multiple requests to resolve this matter.

## **Discussion**

We determine that Redes' international section 214 authorization to provide services issued under File No. ITC-214-20070515-00189 has terminated for inability to comply with an express condition for holding the international section 214 authorization. The International Bureau provided Redes with notice and opportunity to respond to the allegations in the April 13, 2016 Executive Branch Letter concerning Redes' non-compliance with the condition of the grant. Redes has not responded to any of our multiple requests or requests from the Executive Branch Agencies. We find that Redes' failure to respond to our multiple requests demonstrates that it is unable to satisfy the LOA commitments, upon which the Executive Branch Agencies relied in providing their non-objection to the grant of the authorization to Redes, and compliance with which is a condition of the grant of its international section 214 authorization.

Furthermore, after having received an international 214 authorization, a carrier "is responsible for the continuing accuracy of the certifications made in its application" and must promptly correct information no longer accurate, "and in any event, within thirty (30) days." Redes has failed to inform the Commission of any changes in its business status of providing international telecommunications services, as required by the rules. Finally, as part of its authorization, Redes "must file annual international telecommunications traffic and revenue as required by § 43.62." Section 43.62(b) states that "[n]ot later than July 31 of each year, each person or entity that holds an authorization pursuant to section 214 to provide international telecommunications service shall report whether it provided international telecommunications services during the preceding calendar year." Our records indicate that Redes failed to file annual international telecommunications traffic and revenue reports indicating whether or not Redes

provided services in 2014 and 2015, as required by section 43.62(b) of the Commission's rules. Redes' failure to adhere to the Commission's rules designed to ensure its ability to communicate with the holder of the authorization and to verify the holder is still providing service also warrants termination, wholly apart from Redes' non-compliance with the condition of its international section 214 authorization.

### **Ordering Clauses**

Accordingly, it is ordered, pursuant to sections 4(i), 214, and 413 of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 214, 413, and sections 1.47(h), 43.62, 63.18, 63.21, 63.22(h), 63.23(e), and 64.1195 of the Commission's rules, 47 CFR 1.47(h), 43.62, 63.18, 63.21, 63.22(h), 63.23(e), 64.1195, that the international section 214 authorization issued under File No. ITC-214-20070515-00189 is hereby terminated and declared null and void.

It is further ordered that the request of the U.S. Department of Homeland Security and U.S. Department of Justice, is hereby granted, to the extent set forth in this Order.

It is further ordered that a copy of this Order shall be sent by return receipt requested to Redes Modernas de la Frontera SA de CV at its last known addresses. In addition, this Order shall be posted in the Commission's Office of the Secretary.

It is further ordered that a copy of this Order, or a summary thereof, shall be published in the Federal Register.

This Order is issued on delegated authority under 47 CFR 0.51, 0.261, and is effective upon release. Petitions for reconsideration under section 1.106 of the Commission's rules, 47 CFR 1.106, or applications for review under section 1.115 of the Commission's rules, 47 CFR 1.115, may be filed within 30 days of the date of the release of this Order.

FEDERAL COMMUNICATIONS COMMISSION

Denise Coca

Chief, Telecommunications and Analysis Division, International Bureau.

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